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2                   **SENATE CONCURRENT RESOLUTION NO. 58**

3           (By Senators Browning, Klempa, Prezioso, McCabe, Stollings,  
4                                   Wells, Williams and Sypolt)

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6           [Originating in the Committee on Economic Development]

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8           Requesting the Joint Committee on Government and Finance to  
9                   study the advisability of establishing an Economic  
10                  Diversification Permanent Fund using revenue collected  
11                  from mineral severance taxes.

12           Whereas, A severance tax permanent fund can convert  
13           depleting natural resources into a source of support for  
14           sustainable economic diversification for West Virginia  
15           communities today and in the future; and

16           Whereas, In its bond rating process, Moody's Investor  
17           Services recently identified West Virginia's above average  
18           concentration of economic in the natural resource industry  
19           as a weakness; and

20           Whereas, As severance tax permanent fund can help to  
21           regulate the fluctuations of West Virginia's natural  
22           resource economy's boom-bust cycle; and

23           Whereas, Other natural resource-rich states including  
24           New Mexico, Wyoming, Colorado, Alaska and Montana

1       successfully enacted legislation in the 1970s and 1980s to  
2       establish severance tax permanent funds; and

3               Whereas, These states have created funds with principle  
4       endowments ranging in size from more than \$37 billion in  
5       Alaska to approximately \$800 million in Montana; and

6               Whereas, Through investment of these funds according to  
7       the "prudent investor rule" has earned investment income  
8       available for growing the fund and inflation-proofing it;  
9       and

10              Whereas, The above-named states have also used  
11       investment earnings from such permanent severance tax trust  
12       funds to finance state education, infrastructure repair,  
13       dividend payments to taxpayers, economic development, and  
14       general fund expenditures; and

15              Whereas, The principle of severance tax permanent funds  
16       represents a state asset that could potentially strengthen  
17       West Virginia's bond rating; therefore, be it

18              *Resolved by the Legislature of West Virginia:*

19              That the Joint Committee on Government and Finance is  
20       hereby requested to study the advisability of establishing  
21       an Economic Diversification Permanent Fund using revenue  
22       collected from mineral severance taxes; and, be it

23              *Further Resolved,* That the expenses necessary to  
24       conduct this study, to prepare a report and to draft

1        necessary        legislation        be        paid        from        legislative  
2        appropriations        to        the        Joint        Committee        on        Government        and  
3        Finance.  
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